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SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENT.

Summary Record of the Seventh Meeting of
the Tariff Agreement Committee held on
Monday, 1 September 1947, at 2.30 p.m. in
the Palais des Nations, Geneva.

Chairman: Hon. L.D. WILGROSS (Canada).

The CHAIRMAN, opening the meeting, proposed that the debate on the General Agreement would proceed article by article and would be based on the revised draft (E/PC/T/189) with the corrigendum, and on the annotated agenda (E/PC/T/W/312).

After the discussion of the United Kingdom amendment to substitute throughout the text "contracting Governments" for "contracting parties" and of the alternative Czechoslovak proposal to use the term "contracting States", it was provisionally agreed not to make an alteration, the Delegate for the United Kingdom reserving his position on this point.

Dr. AUGENTHALER (Czechoslovakia) proposed to omit the words "the Governments of" from the Preamble.

M. ROYER (France) asked that in this case the words "the French Union" should be substituted for "the French Republic".

Mr. SHACKLE (United Kingdom) could not accept the Czechoslovak suggestion because in the case of his country certain colonial and other territories would not be covered.

Dr. AUGENTHALER (Czechoslovakia) remarked that in his country not the Government but only the President could sign international treaties.

The CHAIRMAN suggested that pending consultation by the interested delegations with their legal experts, decision on this question should be postponed. This was agreed to.

Paragraphs 2, 3 and 4 of the Preamble were approved without change.

Mr. OLDINI (Chile) asked whether reservations made to the Charter would also be valid in regard to the Agreement or if they would have to be expressly formulated.

Dr. COOMBS (Australia) suggested to transfer the contents of Article I to Part II of the Agreement.

The CHAIRMAN, referring to the question of reservations, felt that reservations would not be admissible in view of the Agreement being prepared for signature.

Mr. OLDINI (Chile) thought that reservations could be made and maintained until the time of the final signature. Governments having reservations would have to make their decision at the time of the ratification of the Agreement.

Dr. COOMBS (Australia) considered that the inclusion of reservations in the final act would amount to authenticating them together with the text.

Mr. SHACKLE (United Kingdom) feared that if there were reservations at the time of ratification, a Conference might be necessary to deal with them.

Dr. AUGENTHALER (Czechoslovakia) pointed out that there were reservations in most international conventions and quoted an example in which a reservation was made and, in a note referring to it, the other parties defined their

attitude to that reservation.

M. ROYER (France) stated that the only course open to a country making a unilateral reservation was either to withdraw it before signature or not to sign the Agreement.

Mr. BROWN (United States), agreeing with this view, thought that in some cases it might be possible for all other parties to accept the reservation but doubted if this would happen where a question of substance was concerned.

Mr. WUNSZ KING (China) suggested that acceptance of Part II and any other disputed provision should either be made optional or there should be a provision to the effect that the signature of the Agreement would not prejudice Delegations in respect of their attitude at Havana.

Mr. JABBARA (Syria) thought that the difficulties would be resolved by automatic supersession of the Charter provisions and only in this case would his Government be ready to sign the Agreement.

Mr. DORN (Cuba) suggested that at least those Articles to which reservations were attached should be automatically superseded.

Mr. BROWN (United States) was prepared to agree to the suggestion of the Delegate for China to include a provision that the signature of the General Agreement would not prejudice the position of a country at the World Conference.

Dr. HOLLOWAY (South Africa) stating that his country had no reservations to the Charter thought that the automatic substitution of an unknown text was unacceptable to Governments. He suggested that one text might be established

for the key countries immediately and the text for the other countries after the Havana Conference.

Mr. PARANAGUA (Brazil) was in favour of allowing countries to have reservations. If these reservations were not unanimously accepted the country making them would no longer be a party to the Agreement.

Dr. COOMBS (Australia) thought that the Final Act, being merely an authentication of the text, would not imply more than that the reservations were correctly recorded. Reservations could not be maintained in the Protocol of provisional acceptance nor, after ratification, of the Agreement itself, unless accepted by all parties concerned.

In his view, some kind of automatic supersession ought to be provided for. In accordance with the United States' suggestion, this automatic supersession would take place unless opposed by one-third, and in that event consultation and a new decision should follow. He would suggest that it should be sufficient for the Charter provisions to supersede those of the Agreement unless any one of the contracting parties objected.

Mr. SHACKLE (United Kingdom) and Mr. OLDINI (Chile) supported this proposal.

Mr. FORTHOMME (Belgium) thought that the principle of automatic substitution would prevent the provisional application of the General Agreement, because it would not provide a firm basis for the concessions made. Furthermore, if the Charter would not be what a Member expected when granting tariff concessions, the only possibility might be for it to withdraw from the Agreement.

The CHAIRMAN remarked that the discussion of the question of reservations had led to the question of the supersession by Charter provisions and this could not be considered until the debate would have reached Article XXVII. Both questions, therefore, would have to be left in abeyance for the time being.

In regard to the closing date for signature, various views had been given and a final decision could not be made until Article XXIV would be discussed. Meanwhile, it would have to be assumed to be some date between 28 February and 30 June 1948.

The discussion on Article I being resumed, Dr. COOMBS (Australia) stated that he had suggested the transfer of Article I to Part II because provisional acceptance should not involve legislative action by his Government. Article I required such legislative action in relation to certain existing provisions.

M. ROYER (France) stated that also his Government would have some small difficulty in completely applying Article I during provisional application. Though legislative action was involved, he did not ask for Article I to be transferred to Part II, but only that France should not be required to apply this Article completely before ratification of the Agreement.

The meeting closed at 6 p.m.